

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRIDGE 02113 070032Z

64

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 AGR-05 COME-00 SWF-01 OMB-01

TRSE-00 L-02 CIAE-00 INR-05 NSAE-00 PA-01 RSC-01

USIA-06 PRS-01 SP-02 /039 W
----- 113791

P R 061949Z DEC 74

FM AMEMBASSY BRIDGETOWN

TO SECSTATE WASHDC PRIORITY 8146

INFO AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

AMEMBASSY PORT OF SPAIN

LIMITED OFFICIAL USE BRIDGETOWN 2113

E.O. 11652: N/A

TAGS: EAGR BB

SUBJ: SUGAR: WISA SHIFTS TO LOW PROFILE BACKSTAGE ROLE

SUMMARY: AT ANNUAL MEETING DECEMBER 2-3, WEST INDIES SUGAR ASSOCIATION DECIDED TO MOVE FROM BARBADOS TO TRINIDAD AND TO CHANGE ITS NAME TO SUGAR ASSOCIATION OF CARIBBEAN (SAC). THIS MOVE COMES AT TIME WHEN CARIBBEAN PRODUCERS REMAIN PROFOUNDLY DISTURBED AT TAKEOVER OF MARKETING PROCESS BY CARIBBEAN GOVERNMENTS. WISA (SAC) PLANS TO CONDUCT LOW KEY EDUCATIVE CAMPAIGN TO CONVINCE REGIONAL GOVERNMENTS OF ADVANTAGES OF SECURING STABLE PRICE AND MARKETING SYSTEMS AND AVOIDING SHORT TERM INVOLVEMENT WITH SPECULATIVE BUYERS. U.S. INTERESTS WOULD BEST BE SERVED BY ENCOURAGING WISA (SAC) EFFORTS. END SUMMARY.

1. WEST INDIES SUGAR ASSOCIATION (WISA) AT ITS ANNUAL MEETING DECEMBER 2 AND 3 IN BARBADOS ELECTED NEW PRESIDENT, ANNOUNCED COMMING SHIFT OF ITS HEADQUARTERS FROM BARBADOS TO TRINIDAD AND DECLARED ASSOCIATION'S SUPPORT OF CARICOM PROTESTS AGAINST BRITAIN'S REFUSAL TO PAY HIGHER PRICES THIS YEAR FOR SUGAR FROM BARBADOS, TRINIDAD/TOBAGO AND JAMAICA. WISA DIRECTORS ALSO DECIDED TO CHANGE ORGANIZATION'S NAME TO "SUGAR ASSOCIATION OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRIDGE 02113 070032Z

CARIBBEAN" (SAC). GORDON MAINGOT OF TRINIDAD IS NEW WISA (SAC)

PRESIDENT, SUCCEEDING JAMAICA'S SIR ROBERT KIRKWOOD WHO HAS HELD POST SINCE 1961. MAINGOT, WHO IS CARONI EMPLOYEE RATHER THAN PLANTER, HAS BEEN MOST SENIOR WISA DIRECTOR FOR SOME TIME NOW AND IS EXPECTED TO PROVIDE LESS TRADITIONAL LEADERSHIP THAN DID SIR ROBERT.

2. WISA DIRECTORS' DECISIONS TO MOVE HEADQUARTERS FROM BARBADOS TO TRINIDAD AND TO ELIMINATE POST OF FULL-TIME SECRETARY ARE BASED ON TWO CONSIDERATIONS, ECONOMY AND PERCEIVED NEED TO ASSUME LOWER PROFILE VIS-A-VIS AREA GOVERNMENTS WHICH HAVE SHOULDERED WISA ASIDE IN SUGAR MARKETING PROCESS. WISA (SAC) HAS RENT-FREE OFFICE AND POSSIBLY SOME STAFF IN PORT OF SPAIN FROM TRINIDAD SUGAR MANUFACTURERS' ASSN) AND ASSOCIATION APPARENTLY FEELS THAT LESS CONSPICUOUS TRINIDAD LOCATION WOULD BE BETTER SUITED TO ORGANIZATION'S NEW ROLE OF EDUCATING AREA GOVERNMENTS AND PROVIDING THEM WITH TECHNICAL ADVICE.

3. DESPITE RECORD PRICES, CARIBBEAN SUGAR INDUSTRY REMAINS PROFOUNDLY DISTURBED AT DEMISE OF WISA (SAC) AS REGIONAL MARKETING MECHANISM. CARIBBEAN GOVERNMENTS HAVE ASSUMED FULL CONTROL OF MARKETING AND PRICING PROCESS BUT HAVE APPARENTLY RITTLE IDEA OF BEST WAY TO ENSURE CONTINUED VIABILITY OF GENERALLY HIGH COST CARIBBEAN PRODUCERS. AREA GOVERNMENTS, LIVING IN TODAY'S CLOUD-CUCKOO LAND OF HISTORIC PRICES, HAVE NOT HAD TO FACE DIFFICULT TASK OF ALLOCATING QUOTAS OR NEGOTIATING CONTRACTS ON COMPETITIVE BASIS. YEARS OF WILD PRICE FLUCTUATIONS AND SUDDEN SLUMPS HAVE CONDITIONED WISA (SAC) TO SEARCH FOR SECURE LONG-RANGE MARKETS RATHER THAN TEMPORARY RICHES. CARIBBEAN PRODUCERS SIMPLY DO NOT HAVE CONFIDENCE THAT REGIONAL GOVERNMENTS, WITH THEIR DIVERSE RANGE OF INTERSTS, WILL BE ABLE TO ACT TOGETHER FOR COMMON GOOD WHEN GOING GETS ROUGH.

4. SUGAR PRODUCERS FEEL THAT THEIR BEST BET IS TO EDUCATE GOVERNMENTS IN WAY OF SUGAR WORLD THROUGH PROVISION OF STATISTICAL DATA AND TECHNICAL ADVICE. WISA'S NAME CHANGE (TO SAC) IS REFLECTIVE OF LOW-KEY STYLE IN WHICH ORGANIZATION HOPES TO OPERATE. WISA (SAC) NOW WANTS TO MAKE IT CLEAR THAT IT HAS NOTHING OFFICIALLY TO DO WITH QUOTAS, PRICES OR SUGAR SALES, BUT THAT IT REMAINS ONLY REGIONAL SOURCE OF TECHNICAL DATA IN INDUSTRY. SAC HOPES TO WORK QUIETLY BEHIND SCENES WITH KEY LEADERS IN CARIB-LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BRIDGE 02113 070032Z

BEAN GOVERNMENTS, IMPRESSING ON THEM BASIC FACT OF LIFE THAT HIGH COST CARIBBEAN PRODUCERS WILL CONTINUE TO REQUIRE RELATIVE SECURE MARKETS IN ORDER TO SURVIVE AND THAT CURRENT ASTRONOMICAL SUGAR PRICES MAY NOT LAST MORE THAN TWO OR THREE YEARS. SAC WILL GIVE LEADERS PROS AND CONS OF SHORT VS LONG TERM POLICIES WITHOUT DIRECT CONFRONTATION WITH REGIONAL GOVERNMENTS, MANY OF WHOM HAVE YOUNGER, LESS CONSERVATIVE CIVIL SERVANTS WITH SUGAR RESPONSIBILITIES. WISAS (SAC'S) SUPPORT OF CARICOM PROTEST TO UK RE

LATTER'S REFUSAL TO PAY HIGHER SUGAR PRICES TO THREE AREA PRODUCERS FITS IN WITH THIS LOW KEY STRATEGY.

5. SUGAR PRODUCERS POINT TO REPORTED CARIBBEAN INTEREST IN SALES TO CERTAIN MIDDLE EASTERN COUNTRIES AS PRIME EXAMPLE OF A COUNTER-PRODUCTIVE POLICY. THEY MAINTAIN THAT EXCESS OF PETRO DOLLARS HAS PUSHED SOME OIL PRODUCERS INTO SUGAR MARKET ON PURELY SPECULATIVE BASIS WITH NO THOUGHT OR CAPABILITY OF BEING A LONG-TERM CUSTOMER.

6. DURING A RECENT VISIT HERE, A WELL-KNOWN US. SUGAR LOBBYIST URGED WISA AND CARIBBEAN PRODUCERS TO SUPPLY AS MUCH SUGAR AS POSSIBLE TO U.S. MARKET WHICH, HE SAID, IS LIKELY TO REMAIN IN TIGHT SUPPLY SITUATION FOR SOME TIME. HE EXPECTED U.S. TO RETURN EVENTUALLY TO SOME FORM OF SUGAR PROGRAM AND STRESSED NEED FOR WEST INDIES TO COMPILE GOOD SUPPLY RECORD (IN NEIGHBORHOOD OF 300,000 TONS IF POSSIBLE) AS BASIS FOR POSSIBLE NEW QUOTA. AREA SUGAR PRODUCERS AGREED WITH THIS ANALYSIS AND EXPRESSED INTENTION TO MAKE AREA GOVERNMENTS AWARE OF SITUATION.

7. DESPITE WIDELY CIRCULATED RUMORS TO CONTRARY, GOB BASICALLY AGREES WITH WISA (SAC) READING OF SUGAR MARKET SITUATION AND HAS AGREED WITH LOCAL PRODUCERS TO SPLIT 1975 EXPORT CROP LARGELY BETWEEN ITS TWO MOST STABLE MARKETS, U.S. AND U.K. (BARBADOS PRODUCERS ESTIMATE THAT ABOUT 30 PERCENT OF 1975 CROP WILL GO TO U.S.) GOB HAS CONTRACTED SALE OF SMALL AMOUNT (LESS THAN 10,000 MT) TO THIRDCOUNTRY, BUT NOTHING ON SCALE OF RECENT NEWS REPORTS INDICATING THAT GOB HAS SOLD "ENTIRE CROP" FORWARD TO NEW MARKET.

L

8. COMMENT: IT WOULD APPEAR TO BE IN U.S. INTERESTS TO ENCOURAGE WISA/SAC IN ITS EFFORTS FROM STANDPOINTS OF SEEKING STABLE SUGAR SUPPLY AND ASSISTING IN BUILDING WORKABLE REGIONAL INSTITUTIONS. LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 BRIDGE 02113 070032Z

WISA (SAC) HAS BEEN A SUCCESSFUL ALBEIT PRIVATE REGIONAL INSTITUTION FOR MANY YEARS AND HAS MANAGED THROUGH ADROIT NEGOTIATING AND BARGAINING TO KEEP SUGAR GOING IN LEAN TIMES AS WELL AS IN PROSPERITY. AS FAR AS SUGAR IS CONCERNED, AREA GOVERNMENTS HAVE A GREAT DEAL TO LEARN FROM WISA (SAC) AND ITS STAFF. LOSS OF EXPERIENCED WISA SECRETARY ROY MORRIS WILL BE HARD BLOW FOR WISA SUCCESSOR, HOWEVER, SAC SEEMS TO BE TAKING RIGHT APPROACH IN ITS EFFORTS TO BRING ORDER TO A DISORDERLY SITUATION. END COMMENT
SIMMS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, TRADE ORGANIZATIONS, ORGANIZATION & MANAGEMENT
Control Number: n/a
Copy: SINGLE
Draft Date: 06 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: izenbei0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BRIDGE02113
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740355-0483
From: BRIDGETOWN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741256/aaaabvbm.tel
Line Count: 163
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 11 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 SEP 2002 by WorrelSW>; APPROVED <13 MAR 2003 by izenbei0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SUGAR: WISA SHIFTS TO LOW PROFILE BACKSTAGE ROLE SUMMARY: AT ANNUAL MEETING DECEMBER 2-3, WEST INDIES
SUGAR
TAGS: EAGR, BB, WISA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005